

HOUSE BILL 630

By Overbey

AN ACT to amend Tennessee Code Annotated, Section 29-20-107, relative to extending tort immunity limits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 29-20-107, is amended by adding the following as a new subsection (g):

(g) Notwithstanding any provision of this chapter to the contrary, any governmental entity as defined by this chapter or any department, agency, commission, board or authority of state government may by contract provide for the operation and maintenance of transportation and transit services and equipment, engineering and design, construction, operation, or maintenance of transportation and transit projects and facilities, usage of transportation and transit facilities, and the use of a rail line or rail line right of way. When entering into such a contract, the non-governmental party to the state or other governmental entity shall be deemed to be the functional equivalent of the state or other governmental entity in fulfilling a public purpose as provided for in the contract. Such non-governmental party shall be providing a service or performing a function which the governmental entity is authorized or entitled to perform but for the fact that it is more cost efficient or cost effective or for which the governmental party does not have the resources or personnel to perform. When a non-governmental contracting party is deemed by the contract to be the functional equivalent of the governmental party, then the non-governmental contracting party shall have limited tort exposure as long as the non-governmental party was performing within the scope of work and during the normal course of work of the contract when the accident occurred. The non-governmental party will not be afforded any limits to its tort exposure for gross negligence in the performance

of the contract by the non-governmental party or any of its employees, agents, partners or subcontractors. For a contract amount less than five million dollars (\$5,000,000), the limits of tort exposure shall be three hundred thousand dollars (\$300,000) for bodily injury or death of any one person in any one accident, occurrence or act and seven hundred thousand dollars (\$700,000) for bodily injury or death of all persons in any one accident, occurrence or act and one hundred thousand dollars (\$100,000) for injury or destruction of property in any one accident, occurrence or act. For a contract amount between five million dollars (\$5,000,000) and twenty million dollars (\$20,000,000), the limits of tort exposure shall be five hundred thousand dollars (\$500,000) for bodily injury or death of any one person in any one accident, occurrence or act and one million dollars (\$1,000,000) for bodily injury or death of all persons in any one accident, occurrence or act and two hundred thousand dollars (\$200,000) for injury or destruction of property in any one accident, occurrence or act. For a contract over twenty million dollars (\$20,000,000), the limits of tort exposure shall be one million dollars (\$1,000,000) for bodily injury or death of any one person in any one accident, occurrence or act and ten million dollars (\$10,000,000) for bodily injury or death of all persons in any one accident, occurrence or act and three hundred thousand dollars (\$300,000) for injury or destruction of property in any one accident, occurrence or act. The governmental party to the contract may as part of the contract with the non-governmental party purchase insurance to cover such losses or may require the non-governmental party to purchase such insurance.

SECTION 2. This act shall take effect upon it becoming a law, the public welfare requiring it.